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PUBLIC-PRIVATE PARTNERSHIP IN THE SOCIAL PROTECTION SPHERE

The article analyzes the current state of the social state sphere. The influence of public-private partnership on the social protection sphere in Ukraine has been researched. There are also difficulties in improving public private partnerships. A number of measures have been identified to improve the development of public private partnership in the social protection sphere. A new procedure for the implementation of public private partnership has been proposed.

Keywords: *public-private partnership, social protection, social projects, mechanisms of development, improvement.*

Problem setting. As soon as Ukraine became independent, it got focused on the formation of a socially-oriented market economy, which involves the social sphere as one of the basic component. The current state of the social sphere in Ukraine is characterized by the presence of a number of painful problems that have not been solved for years, in particular: the disorder of property relations towards establishments of social infrastructure; insufficient budget funds for the development of appropriate establishment and lack of effective incentives to raise funds from other sources; the abovementioned establishments provide services to the population with low quality, etc. The current state of the social protection sphere of citizens at the local level requires further improvement. Existing problems result not only in

analysis but also in the necessity of continuous improvement and strategic introduction of new mechanisms of public administration under the conditions of market relations. Among the imperfect ways of financing in the social protection sphere, the state faces a deficit of budget funds, which are aimed at improving and developing the entire system. We would like to note that the transition to a market economy was not accompanied by diversification of financing of social sphere in Ukraine. In view of this research on the improvement of public-private partnership in the social sphere, as a necessary condition for ensuring effective social protection of the population at the regional and local levels, remains relevant today.

Analysis of recent research and publications. The problems of public-private partnership were explored by such authors as E. Clayne, G. Taysman, M. Gerrard, A. Akintoe, V.Varnavsky, S.Silivstrov, E.Mahortova, V.Kruglov and others. The researches on the theoretical foundations of social protection of the population, the reformation of the system of privileges, and proposals for solving problems in this field were reflected in the following theses: N. Boretskaya, V. Goshovska, O. Kocheymovska, M. Kravchenko, E. Libanova, K. Melnyk, O Naukova, V.Skuratovsky, O.Paly, V.Troshchinsky. Although there are a large number of researches devoted to the said problem, and a number of issues remains unresolved, which involve problems and the ways of their solution in the development and implementation of public-private partnership in the social sphere.

Paper objective. The purpose of the article is to study and identify ways to improve public-private partnership in Ukraine in the field of social protection.

Paper main body. Despite the fact that the practice of implementing public-private partnership projects came in the social sphere (education, health care, tourism and the sphere of cultural heritage preservation) much later than in traditional spheres (transport infrastructure, housing and public utilities), it has become as successful as other spheres and a priority for some countries of the world. One of the main directions of the transformation of the economy of Ukraine at the present stage is the further reformation of the economic management system. It is significant that the social component of economic policy is getting consistently strengthened and confidence towards the country is getting restored on this basis. First of all, it requires effective employment, protection of weak partners in the social and labor sphere, regulation of the general principles of remuneration, implementation of the equality principle of starting opportunities by facilitating access to high-quality free education at all levels. The formation of active social policy involves a radical review of budgetary priorities in the direction of increasing social investment and improving the general conditions of employment of the population [4, p. 190].

An efficient way to improve the efficient functioning of state ownership is the development of partner relations between the state and business, which will allow to attract additional resources in the public sector, in particular investments. In this system of relations there is an association of resources and potentials of the state and business, which contributes to increasing the efficiency of the use of available resources, the distribution of risks between the public and private sectors

and their minimization.

In the broad sense, the term "public-private partnership" involves all forms of cooperation between the state and the private sector, which are in the field between the solution of tasks traditionally related to the competence of the state, the state itself, on the one hand, and privatization, on the other hand [1].

Also, in the broad sense public-private partnership is interpreted as mutually beneficial middle and long term cooperation between the state and business, which is being implemented in various forms (beginning from contracts to carry out works, corporatization and ending with consultations of the state and business associations). This cooperation aims at solving political and socially important tasks at the national, regional and local levels [2]. It is erroneous to assume that public-private partnership is interaction between the state and business, which does not require special regulatory and organizational support, that public-private partnership is the improvement of management of exclusively tangible assets and objects.

There is also an erroneous approach that the state in a public-private partnership can get socially significant objects and it can provide services to society with their help not spending any money and risking anything. There is also the perception that the development of public-private partnership does not require special competencies of state and municipal officials therefore investment in their training is not necessary. In most definitions, there are no specific criteria according to which a real project with the participation of the state and the private sector can or otherwise cannot be attributed to public-private partnership [3].

In view of the above the way which involves efficient interaction of the government and business in the political sphere remains practically out of research with some exceptions. A lot of problems in implementation of mutual interests of the state and business, in particular the issues of low investment attractiveness of a particular sector of the economy, or a separate investment project, are not in the economic or legal sector, but in the political sphere. The first step should be the proclamation of the principles of partnership at the political level. The state at the highest political level should declare the necessity, possibility and willingness to develop this partnership. The state must admit that public-private partnership is an effective form of relations between the government and business in the economic and other spheres of social activity aimed at ensuring the progressive development of society. Meanwhile the purpose of this cooperation, the scope of its activities, as well as the principles which will implement this idea, should be clearly defined.

The sphere of social protection in Ukraine is one of the most significant factors in the stable social and economic development of the entire state, its reformation is considered in the program documents of the President and the Government of Ukraine [6, 7, 8]. We believe that social protection of the population is to implement the main directions of social policy by means of organizational, legal and social economic measures. Social protection may be defined as a duty of the society, which the state implements, in relation to the support of a specific category of citizens in special cases and special measures at the expense of society with the

help of a network of state bodies, local governments, and public organizations.

However, the current state of the social system shows the lack of a strategic direction for its modernization, state funding is not enough for rapid pace of improvement in the system of management as well as in the organization and mechanisms how social assistance and services can be provided. Therefore, the essential problem of the social policy of Ukraine is the inefficient use of budget funds, which should be directed at meeting the needs of the population and the social sphere as a whole. In this case, the main direction of strategic reformation of the social protection system should be its radical change, taking into account the real possibilities of the state and developing a further plan for improving this system. The analysis of the current state of the existing problems in the system of social protection of the population at the state and local levels indicates an insufficient and incomplete system which regulates how possible services are provided and it indicates inconsistency of social security of the quality of citizens' life in conditions of market transformation. That is why the development of a real effective model of social protection of the population at this stage is a priority task of the state and local self-government bodies. The creation of public-private partnership mechanisms in the social sphere, the development of new programs for mutually beneficial partnerships with the private and public sectors is a rapid push to provide the foundation for improvement of the entire system of social protection at various levels in accordance with the European model, which will significantly affect the quality of life of each citizen of Ukraine. The difficulties of improving public-private partnership in Ukraine in the field of social protection relate to the absence or insufficiency of institutional and organizational preconditions. Modern financing of reorganization and modernization of this sphere at the expense of government only creates high financial risks for public-private partnership, which is explained by short budget planning cycles and the necessity of annual approval.

The main tasks of improving public-private partnership in the social sphere in Ukraine are as follows:

- to provide stable support of state institutions for private sector partners;
- to improve and consolidate the principles of public-private partnership in state and regional strategies of social and economic development in general;
- to create a favorable institutional environment for the development of public-private partnership.

In our opinion, it is important that the state and local governments must coordinate the process of providing social, medical and social services to state and non-governmental organizations and institutions, and a flexible system of partnership interaction with the private and public sectors must be created. In order to provide a further development of public-private partnerships, the investment climate and business conditions need to be significantly improved [5, p. 122].

Improvement of entrepreneurial conditions and attracting private investment in this area of implementation of public-private partnership projects requires:

- increasing transparency of the licensing system and reducing bureaucratic barriers;
- procedures prioritization for inspections and technical regulation (standardization and certification);
- simplification of procedures for registration of property;
- creation of favorable conditions for using land property within the framework of projects;
- ensuring transparency in the relations of private and public partners in the preparation and implementation of the project;
- concentration of state efforts on implementation of public-private partnership projects and the formation of effective feedback in the relations between the state and the private sector. The most important issue at the level of local authorities in the field of social protection is to improve the mechanisms of public-private partnership, which is to ensure the effective implementation of projects based on a single integrated management scheme of expertise, coordination and implementation of the project at each level by the relevant qualified specialists. Regulatory relations between the state and local government bodies that are responsible for the development of public-private partnerships should include the rights of both parties within their qualifications and competences, and they do not have to contradict the legislation of Ukraine and indicate the right to make decisions independently regarding the effectiveness of project implementation, receive advisory and methodological assistance of the relevant bodies, include an obligation to coordinate all issues with the central executive authorities in the case of implementation of projects that involve getting support from the government. The main methods of improvement the implementation of public-private partnership projects in the field of social protection should be:
 - improvement of the rational use of the budget;
 - active involvement of development institutes in new projects;
 - introduction of long-term project investment system.

Budgetary financing of projects and public participation should be based on the principles of medium and long-term program and goal oriented planning and program and project financing. Public financial support for public-private partnership for social protection should include:

- direct financial support by providing subsidies;
- reimbursement of expenses for construction, major repairs;
- investment in authorized capital;
- providing guarantees on loans, reimbursement of losses due to exchange rate fluctuations, obligations to purchase products;
- use of modern market financing tools (securities).

In order to improve public-private partnership in the social sphere, we propose to implement a new order of public-private partnership, which is presented in Table 1.

Table 1

Implementation of Public-Private Partnership Project in the Social Sphere

Existing procedure of public-private partnership	Proposed procedure of public-private partnership
1. Presentation of proposals to implement public-private partnership	1. Elaboration of criteria to estimate the efficiency of public-private partnership implementation, determination of suitability of the project implementation or alternative financing
2. Analysis of the efficiency of public-private partnership implementation, explanation of the consequences	2. Elaboration of the requirements for the partner of public-private partnership, as well as for information regarding project results
3. Making a decision about the public-private partnership establishment	3. Carrying out anonymous auction on the electronic platform. Determination of the winner.
4. Holding a competitive tender to determine a private partner	4. Signing the agreement with the tender winner
5. Signing the agreement with the tender winner	5. Control over the intermediate results of public-private partnership aiming at the measuring the compliance with social, economic and ecological tasks.

In view of the above, the procedure for implementing public-private partnerships requires simplification, in particular by means of electronic document flow, which negatively affects the interest of private investors to build partnerships with the state in the field of providing social security services. One of the most important procedures requires improvement which is the correction or modification of the model of public-private partnership for the interim results of the implementation of the mechanism.

Conclusions. Consequently, in today's political, economic and social conditions, public-private partnership is one of the most effective ways to develop and implement long-term, modernizing and socially significant projects. The sphere of social protection requires special control over compliance with the provision of assistance by executive bodies of state power in order to improve the standard of living of the entire population. The discrepancy between the amount of the allocated state budget and the existing social needs creates pressure on the economy of the country, as a result authorities do not perform their obligations and create social security payments. It is necessary to implement public-private partnership exactly in the social sphere because of inevitability of coming and the inclusive nature of social risks. State support and development of the insurance segment enable the state to work with the insurance company as a reliable partner, and also create a powerful mechanism for overcoming and financing social risks.

Consequently, the use of public-private partnership gives an opportunity to

reduce investments in the construction of social institutions and the purchase of equipment, to ensure the implementation of socially important projects within the shortest time possible, and to increase the efficiency of the implementation of projects by means of their participation in the private sector, which is more effective than the public sector as a rule. At the same time, the pressure on the local budget is reduced due to attracting private resources, the best specialists, modern technologies and equipment, and as a result, the quality of social services for citizens increases. The main directions of improving the provision of public-private cooperation in the field of social protection are: improvement of legislation on the implementation of public-private partnership, the development of financial, non-financial institutions for the introduction of public-private partnership, the creation of an expert body for the establishment and functioning of public-private partnership, the introduction of educational programs in educational institutions for the training of government officials in the field of public-private partnership, organization of monitoring and control as the final stage of the mechanism for implementing partner relations between the state and private sector. Implementation of the proposed measures will increase the interest in public-private partnership programs as part of the state policy of sustainable development.

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